

AGENDA ITEM NO. VI-4**AGENDA REPORT**

**SPECIAL MEETING OF THE OVERSIGHT BOARD FOR THE CITY OF MAYWOOD
AS SUCCESSOR AGENCY OF THE MAYWOOD
COMMUNITY REDEVELOPMENT AGENCY**

DATE: AUGUST 29, 2012

TO: HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD

FROM/BY: ANDRE DUPRET, PROJECT MANAGER

SUBJECT: A RESOLUTION OF THE MAYWOOD OVERSIGHT BOARD ADOPTING THE ADMINISTRATIVE BUDGET FOR THE THIRD RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE (ROPS III) FOR THE PERIOD JANUARY 1, 2013 THROUGH JUNE 30, 2013

RECOMMENDATION

Approval of a resolution of the Oversight Board of the Successor Agency to the Maywood Community Redevelopment Agency adopting the administrative budget for the period January 1, 2013 through June 30, 2013 and directing staff to transmit the approved administrative budget and resolution to the State Department of Finance, the County Auditor Controller, and other agencies as required.

FISCAL IMPACT

Approval of the resolution will allow staff time spent in the implementation of ABx1 26 to be paid out of the property tax revenue deposited in the Redevelopment Property Tax Trust Fund account for the purposes of the administrative cost allowance.

LEGAL REVIEW

The attorney for the Successor Agency has reviewed this report.

BACKGROUND

On December 29, 2011, in the *CRA v. Matosantos* case, the Court upheld ABX1 26 and invalidated ABX1 27 thereby eliminating redevelopment agencies and the voluntary option to pay to continue redevelopment. All redevelopment agencies in California were discontinued as a result and ordered to commence with the process of dissolution. One of the dissolution requirements is the adoption of an administrative budget of staff's time spent implementing ABx1 26.

On August 13, 2012, the Successor Agency to the Maywood Community Redevelopment Agency reviewed and approved a resolution adopting the proposed ROPS III administrative budget for the period of January 1, 2013 through June 30, 2013 and directed that the document be transmitted to the Maywood Oversight Board for approval and adoption.

On August 15, 2012, the Successor Agency-approved resolution adopting the proposed ROPS III administrative budget was presented to the Oversight Board for its consideration. Due to time constraints, the item was continued to today's special meeting of the Oversight Board.

DISCUSSION

In addition to adopting the ROPS III, Health and Safety Code Section 34177(j) and (k) require the Oversight Board to approve a proposed administrative budget for the period January 1, 2013 through June 30, 2013. The proposed administrative budget is consistent with the administrative cost allowance set forth in ROPS III. However, it is distinguishable from the administrative cost allowance in ROPS III in that it provides greater detail as to staff's time spent in the winding down process of ABx1 26.

Subject to the Oversight Board and Department of Finance's review and approval, adoption of the proposed administrative budget will allow staff time spent to comply with ABx1 26 and AB 1484 to be paid out of property tax revenue deposited in Redevelopment Property Tax Trust Fund account for the purposes of the administrative cost allowance.

Attachments: 1) Resolution
 2) Administrative Budget

ATTACHMENT 1
Resolution

RESOLUTION NO. OB_____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY APPROVING AND ADOPTING AN ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE, SECTION 34177(j)

WHEREAS pursuant to Health and Safety Code, Section 34173(d), the City of Maywood elected to become the Successor Agency to the Maywood Community Redevelopment Agency ("Successor Agency") on January 9, 2012 and the Successor Agency is a separate legal entity from the City of Maywood; and

WHEREAS, Health and Safety Code, Section 34177(j), as modified by the Supreme Court decision in California Redevelopment Association, et al. v. Ana Matosantos, et al., Case No. S194861, requires the Successor Agency to prepare a proposed administrative budget covering the period from January 1, 2013 through June 30, 2013 and submit it to the Oversight Board for the Maywood Successor Agency for approval; and

WHEREAS, pursuant to Health and Safety Code, Section 34177(k), upon approval of the Recognized Obligations Payment Schedule (ROPS) by the Oversight Board, the Successor Agency is required to provide administrative cost estimates, from the approved administrative budgets, that are to be paid from property tax revenue to the Los Angeles County Auditor-Controller for each fiscal period covered by the administrative budget; and

WHEREAS, on August 13, 2012, at a regular meeting of the Maywood Successor Agency, the Successor Agency to the Maywood Community Redevelopment Agency approved the Administrative Budget for Fiscal Year 2012 and forwarded it to the Maywood Oversight Board for further action at its meeting of August 15, 2012. Due to time constraints, the item was continued to a special meeting of the Oversight Board on August 29, 2012; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. Approval of Proposed Administrative Budget The Oversight Board hereby approves and adopts the proposed administrative budget, covering the period from January 1, 2013 through June 30, 2013, in substantially the form attached as Exhibit A, as required by Health and Safety Code, Section 34177.

SECTION 3. Transmittal of Proposed Administrative Budget. The Executive Director for the Successor Agency is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the proposed administrative budget, including submitting the approved administrative budget to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund account, for the purpose of the administrative cost allowance, to the Los Angeles County Auditor-Controller, Department of Finance and other agencies as required.

SECTION 4. The Oversight Board Secretary shall certify as to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 29th day of August, 2012.

Lillian Myers, Chair
Oversight Board of Successor Agency to the
Maywood Community Redevelopment Agency

ATTEST:

Ivonne E. Umana
Oversight Board Secretary

I HEREBY CERTIFY the foregoing resolution was duly adopted by the Oversight Board of the Successor Agency to the Maywood Community Redevelopment Agency, at a special meeting held on the 29th day of August, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ivonne E. Umana, Oversight Board Secretary

ATTACHMENT 2
Administrative Budget

Name of Redevelopment Agency:	MAYWOOD REDEVELOPMENT AGENCY
Project Area(s)	RDA Project Area All

**SUCCESSOR AGENCY
ADMINISTRATIVE BUDGET
Fiscal Year 2012-13**

Fiscal Year 2012-13										
		Description	FTE %	Equivalent Salaries	Equivalent Benefits	Other Administrative Costs	FY 2012-13 Total	ROPS-2 Jul to Dec 2012	ROPS-3 Jan to Jun 2013	TOTAL
	Administrative Costs									
	PERSONNEL (Direct Costs)									
1)	City Manager	Administrative Direct Labor	0.184	33,120.00	5,130.00	0.00	38,250.00	27,000.00	11,250.00	\$ 38,250.00
2)	Project Manager	Administrative Direct Labor	0.359	53,820.00	0.00	0.00	53,820.00	35,880.00	17,940.00	\$ 53,820.00
3)	Finance Manager	Administrative Direct Labor	0.186	16,302.00	0.00	0.00	16,302.00	9,152.00	7,150.00	\$ 16,302.00
4)	Executive Assistant	Administrative Direct Labor	0.100	5,824.00	0.00	0.00	5,824.00	5,824.00	0.00	\$ 5,824.00
	Subtotal Personnel Costs			109,066.00	5,130.00	0.00	114,196.00	77,856.00	36,340.00	114,196.00
	LEGAL EXPENSE (Direct Costs)									
5)	Jones & Mayer	Legal				135,720.00	135,720.00	93,600.00	42,120.00	\$ 135,720.00
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ESTIMATED ADMINISTRATIVE COSTS FOR TAX ALLOCATION PERIOD JULY 1, 2012 TO JUNE 30, 2013

ESTIMATED ANNUAL FUNDING	
Code	Source
RP1TF - REDEVELOPMENT PROPERTY TAX TRUST FUND	250,000.00
OTHER - RESERVES, RENTIS, INTEREST	0.00
TOTAL	250,000.00